



State of Utah

Department of Natural Resources

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas & Mining

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

September 27, 2006

Fred or Marty Holley
H & H Stone
P. O. Box 250
Dove Creek, Colorado 81324

Subject: Incomplete Reclamation, H & H Stone, Little Indian Mine, M0370117, San Juan County, Utah

Dear Messrs. Holley:

The Division is in receipt of a note written on your annual permit fee billing statement saying the reference mine has been reclaimed and that no mining has occurred since 2004. Division inspector Paul Baker examined the site on June 13, 2006, and found that reclamation had not been finished. Much of the site had been regraded and seeded, but some overburden or topsoil stockpiles were not regraded. A copy of the inspection report is enclosed.

The R647 rules require a period of three years following seeding before a site can be released from further responsibilities under the Mined Land Reclamation Act. The purpose of this period is to ensure that vegetation becomes adequately established, and **permit fees need to be paid during that three-year period**. Once the three years have elapsed, the Division will evaluate the vegetation and determine whether it meets release criteria (vegetation cover is 70 percent of adjacent undisturbed areas).

Enclosed is another copy of the billing statement. Please submit the payment by October 27, 2006.

Division rules now require operators to submit reclamation sureties for all mining and exploration operations, but the Division recognizes that limited reclamation needs to be done at the Little Indian Quarry. Therefore, if regrading and seeding are completed before December 1, 2006, the Division will waive the requirement for you to submit a surety.

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Fred or Marty Holley
S/037/117
September 27, 2006

If you have questions about this letter or about reclamation requirements, please call Paul Baker at 801-538-5261. Thank you for your cooperation.

Sincerely,

A handwritten signature in black ink that reads "Susan M. White". The signature is written in a cursive style with a long, sweeping underline.

Susan M. White
Mining Program Coordinator
Minerals Regulatory Program

SMW:PBB:pb
Enclosure: June 13, 2006, inspection report
cc: John Blake, SITLA
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Inspection Report Minerals Regulatory Program

Report Date July 19, 2006

Supervisor _____

Mine Name: Little Indian
Operator Name: H & H Stone

Permit number: M0370117
Inspection Date: June 13, 2006
Time: 4:35-4:50 PM

Inspector(s): Paul Baker
Other Participants: None
Mine Status: Mostly reclaimed

Weather: Mostly sunny, 80s

Elements of Inspection	Evaluated	Comment	Enforcement
1. Permits, Revisions, Transfer, Bonds	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Public Safety (shafts, adits, trash, signs, highwalls)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Protection of Drainages / Erosion Control	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Deleterious Material	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Roads (maintenance, surfacing, dust control, safety)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
6. Concurrent Reclamation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Backfilling/Grading (trenches, pits, roads, highwalls, shafts, drill holes)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
8. Water Impoundments	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
9. Soils	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Revegetation	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
11. Air Quality	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Purpose of Inspection:

This site was to have been reclaimed in 2005, and I wanted to see whether grading was adequate and if the vegetation was progressing.

Inspection Summary:

5. Roads

A road runs through the middle of the reclaimed area. This road existed prior to any mining, and the original notice of intention identified that this road would remain following reclamation.

7. Backfilling/Grading (trenches, pits, roads, highwalls, shafts, drill holes)

The mine site has little relief, and most of the area has been graded to blend with surrounding areas (Photo 1). On the north and east sides of the area, however, there are overburden or soil piles that were not graded (Photos 2 and 3). I do not know why this was not done; I am fairly confident these piles were made as part of the mining operation. This seems to be verified by pictures I took in 2003 (Photos 6-7).

8. Impoundments

A small impoundment had been created just upstream from the mine, and it has now been breached. I would rather that the operator had spread material from the dam over nearby areas, but I am not terribly concerned how this was done.

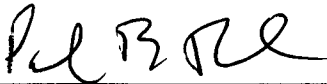
10. Revegetation

Inspection Date: June 13, 2006; Report Date: July 19, 2006
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M0370117

Vegetation appeared to be coming in very well. I found seedlings everywhere there was soil (Photos 4 and 5). As one would expect, there are also lots of weeds, but the weeds I found are not noxious or overly competitive. I fully expect good vegetation cover within a few years in those areas that were graded and seeded.

Conclusions and Recommendations:

The operator needs to finish grading and seeding the site.

Inspector's Signature  Date: 9/28/06

Directions to Site:

Directions are given in one of the previous inspection reports. A gate along the access road was locked, and I had to walk about 1.5 miles to get to the site.

PBB:pb
cc: Fred Holley, Operator
John Blake, SITLA
Attachment: Photos

ATTACHMENT

Photographs

M0370117, Little Indian Mine, H & H Stone

Inspection Dated: June 13, 2006; Report Dated: July 19, 2006



Photo 1. An overview of a portion of the site.



Photo 3. Overburden or soil piles on the west side of the mine.



Photo 2. Overburden or soil piles on the north side of the mine.



Photo 4. Perennial vegetation had germinated and was progressing well although there were some weeds.



Photo 5. This is where the main drainage comes into the mine area from the southwest side of the quarry. The dam was breached, but material was not spread out.



Photo 6. This and Photo 7 show soil/overburden piles in 2003. This all appears to be fresh disturbance.



Photo 7.